

109TH CONGRESS
1ST SESSION

S. 479

To amend title 4 of the United States Code to prohibit a State from imposing a discriminatory tax on income earned within such State by nonresidents of such State.

IN THE SENATE OF THE UNITED STATES

MARCH 1, 2005

Ms. CANTWELL introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title 4 of the United States Code to prohibit a State from imposing a discriminatory tax on income earned within such State by nonresidents of such State.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Nonresident Income
5 Tax Freedom Act of 2005”.

1 **SEC. 2. PROHIBITION ON IMPOSITION OF INCOME TAXES**
 2 **BY STATES ON NONRESIDENTS.**

3 (a) IN GENERAL.—Chapter 4 of title 4, United
 4 States Code, is amended by adding at the end the fol-
 5 lowing new section:

6 **“§ 127. Prohibition on imposition of income taxes by**
 7 **states on nonresidents**

8 “Except to the extent otherwise provided in any vol-
 9 untary compact between or among States, a State or polit-
 10 ical subdivision thereof may not impose a tax on income
 11 earned within such State or political subdivision by non-
 12 residents of such State.”.

13 (b) CLERICAL AMENDMENT.—The table of sections
 14 for chapter 4 of title 4, United States Code, is amended
 15 by adding at the end the following new item:

“127. Prohibition on imposition of income taxes by States on nonresidents.”.

16 (c) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to taxable years ending after the
 18 date of enactment of this Act.

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